DOCUMENT RESUME

ED 345 639 HE 025 534

AUTHOR Crawford, Clarence C.
TITLE Intercollegiate Athletics: Revenues and Expenses, Gender and Minority Profiles, and Compensation in Athletic Departments. Testimony. Subcommittee on Commerce, Consumer Protection, and Competitiveness, Committee on Energy and Commerce, House of Representatives.
INSTITUTION General Accounting Office, Washington, D.C. Div. of Human Resources.
REPORT NO GAO/T-HRD-92-25
PUB DATE 9 Apr 92
NOTE 17p.
AVAILABLE FROM U.S. General Accounting Office, P.O. Box 6015, Gaithersburg, MD 20877 (free).
PUB TYPE Reports - Research/Technical (143) -- Statistical Data (110)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Athletic Coaches; *Black Colleges; Blacks; *College Athletics; *Compensation (Remuneration); *Expenditures; Higher Education; *Income; *Intercollegiate Cooperation; Minority Groups; Racial Differences; Salaries; Sex Differences
IDENTIFIERS *National Collegiate Athletic Association

ABSTRACT

This publication presents the testimony of Clarence C. Crawford, the Associate Director of Education and Employment Issues for the Human Resources Division of the General Accounting Office (GAO). The testimony deals with the finances of the National Collegiate Athletic Association (NCAA) and its member schools, gender profiles in schools' athletic department positions, and minority hiring within athletic departments. The testimony covers the NCAA's revenues and expenses; Division I-A schools' revenues and expenses; gender profile; average compensation, additional benefits, and average outside income received by personnel in athletic positions in historically black schools and other schools; and a comparison of compensation for women and men coaching women's basketball. Findings include the following: (1) the NCAA had revenues of $152.5 million and expenses of $151.3 million for the 1990-91 year; (2) the largest revenue source was television fees and the largest expense was the distribution of revenue to member schools ($79.2 million); (3) men more frequently held the positions of athletic director, head football coach, and men's head basketball coach, while women more often held positions as head of women's programs; and (4) average compensation and income from sources outside the school varied considerably for athletic department positions, with average earning usually lower for athletic personnel at historically black schools. (JB)

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United States General Accounting Office

GAO

Testimony

Subcommittee on Commerce, Consumer Protection, and Competitiveness, Committee on Energy and Commerce House of Representatives

ED345639

For Release on Delivery Expected at 10:00 a.m. EDT Thursday April 9, 1992

INTERCOLLEGIATE ATHLETICS

Revenues and Expenses, Gender and Minority Profiles, and Compensation in Athletic Departments

Statement of Clarence C. Crawford
Associate Director
Education and Employment Issues
Human Resources Division

U.S. DEPARTMENT OF EDUCATION
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SUMMARY OF TESTIMONY BY CLARENCE C. CRAWFORD ON REVENUES AND EXPENSES, GENDER AND MINORITY PROFILES, AND COMPENSATION WITHIN INTERCOLLEGIATE ATHLETIC PROGRAMS

Background: The National Collegiate Athletic Association (NCAA) administers intercollegiate athletic programs on behalf of its membership. Four-year member schools are classified in one of three divisions, with division I being further subdivided into I-A, I-AA, and I-AAA, depending primarily on the size of a school's football program.

Objectives, scope, and methodology: GAO was asked to examine the revenues and expenses of the NCAA and its member schools' athletic departments by using existing NCAA data. We surveyed the 298 division I schools to develop (1) profile data on the gender and race/ethnicity within schools' athletic departments, and (2) compensation data by gender and race/ethnicity for selected athletic positions. We analyzed the profile and compensation data by comparing such information for schools designated as historically black schools by the Higher Education Act of 1965, as amended, to similar information for the other division I schools.

Revenues and expenses: The NCAA had revenues of $152.5 million and expenses of $151.3 million for the year ending August 31, 1991. Its major revenue source was television fees ($118.5 million) and its largest expense was the distribution of revenue to member schools--$79.2 million.

The 106 NCAA member schools in division I-A averaged $9.7 million in revenues and $9.6 million in expenses during fiscal year 1989--although 40 percent of the schools reported budget deficits. The schools' largest revenue source was ticket sales (35 percent) and their largest expense item was salaries and wages (23 percent).

Gender and race data: Men more frequently held the positions of athletic director, head football coach, and men's head basketball coach at both historically black schools and the other division I schools. Women more often held positions as head of women's programs and women's head basketball coach, although 73 percent of the women's head basketball coach positions were held by men at historically black schools.

Athletic department personnel at historically black schools were virtually all minorities. However, these positions were mostly held by nonminorities at the other division I schools.

Compensation: Average compensation, including schools' base salary, additional school benefits, and income from sources outside the school, varied considerably for athletic department positions at both historically black and other division I schools. Also, regardless of the source of income, average earnings were usually lower for athletic personnel at historically black schools.

Madame Chairwoman and Members of the Subcommittee:

I am pleased to be here today to discuss GAO's preliminary results from our review of selected issues involving intercollegiate athletics. In your request, you noted that the Subcommittee is concerned about numerous inquiries it received from other members of the Congress, state legislators, and the general public. These concerns focused on certain issues related to intercollegiate athletics which annually generates over $1 billion in interstate commerce. You asked that we examine the finances of the National Collegiate Athletic Association (NCAA) and its member schools, gender profile in schools' athletic department positions, and minority hiring within athletic departments.

Specifically, you asked that we (1) review data on the revenues and expenses of the NCAA and its member schools' athletic departments, (2) develop profile data on the gender and race/ethnicity of staff members in schools' athletic departments, and (3) develop compensation data by gender and race/ethnicity of staff members within athletic departments. You also asked that we analyze the profile and compensation data by comparing information for schools designated as historically black schools by the Higher Education Act of 1965, as amended, to similar information for the other schools in NCAA's division I.

The material I will discuss today will be included with more detail in our forthcoming report to the Subcommittee. As such, our report will contain additional information concerning the results of our efforts.

BACKGROUND

The NCAA is involved in the administration of intercollegiate athletics. Its membership consists of over 800 4-year colleges and universities.

NCAA member schools belong to one of three divisions. A school's classification is generally based on items such as the number of sports sponsored. Typically, schools with the largest number of athletic programs and facilities belong to division I and schools with smaller programs are in divisions II or III. In addition, division I schools are further subdivided into three categories, I-A, I-AA, and I-AAA, with schools that have the larger football programs generally in division I-A.

NCAA's charter allows it to study all phases of intercollegiate athletics. In this capacity, the NCAA issued reports on minority hiring and gender equity in January and March 1992, respectively. It also conducts--under contract--a survey every 4 years relating to the revenues and expenses of its member schools' athletic activities for the NCAA's three divisions. The last report was

issued in October 1990 and covered revenues and expenses for the 4 years ending in fiscal year 1989.

SCOPE AND METHODOLOGY

As agreed with your office, we used existing NCAA data sources to examine the revenues and expenses of the NCAA and its member schools. The NCAA provided revenue and expense data for the year ending August 31, 1991.

We also used the NCAA's October 1990 report to develop data on the revenues and expenses of member schools' athletic programs. We limited our use of this report's results to the 106 schools in division I-A because we were unable to aggregate the division I results and their response rate--82 percent--was the highest in division I.

We surveyed the 298 schools in the NCAA's division I to develop gender, race/ethnicity, and compensation data within their athletic departments. We mailed a questionnaire containing nine questions to the athletic director at each of these schools. We requested demographic information, including gender and race/ethnicity data, as well as compensation data for the 1990-91 academic year for five positions generally found in athletic departments: (1) athletic director, (2) head of women's athletic programs, (3) head football coach, (4) men's head basketball coach, and (5) women's head basketball coach. We are performing additional analyses for individuals concurrently occupying more than one of these positions. Those results are not included in today's testimony but will be included in our report.

With your concurrence, we pledged confidentiality to the schools that responded to our questionnaire to help improve our response rate. Eighty-seven percent of the schools (259) answered at least one question, including 16 of the 19 historically black schools in division I.

Our analysis for historically black schools is based on a maximum of 16 schools. Therefore, caution must be exercised in using these results because of the limited number of schools. We will provide for the record a summary detailing the number of valid responses for each income item analyzed for the 259 schools, including ranges between the minimum and maximum amounts cited. The ranges for some income items were extremely wide. This should be considered in evaluating the averages cited.

We made no attempt to adjust the compensation data we received to reflect issues such as an individual's experience in athletics, years of service in a particular position, size of the school, or size of the athletic programs. In addition, we did not verify respondents' answers.

MAJOR REVENUES AND EXPENSES OF THE NCAA AND ITS MEMBER SCHOOLS

NCAA's Revenues and Expenses

The NCAA reported that it had revenues of $152.5 million and expenses of $151.3 million, resulting in a surplus of $1.2 million for the year ending August 31, 1991.

Table 1 shows that television fees--primarily for broadcasting rights--was the NCAA's major revenue source: $118.5 million or nearly 78 percent of the total. Revenues of $20.8 million from sports championship activities--such as its annual basketball tournament--followed, providing about 14 percent of total revenue.

Table 1: NCAA's Revenues

Source	Amount (millions)	Percent
Television	$118.5	77.7
Championships	20.8	13.6
Royalties	5.3	3.5
General	4.6	3.0
Publishing	1.4	0.9
Grants	1.0	0.7
Communications	.6	0.4
Visitors center	.3	0.2
Total	$152.5	100.0

The majority of the NCAA's expenses ($79.2 million) were for the redistribution of revenues to member schools for activities such as grants-in-aid and sports sponsorships. The next largest expense category, as shown in table 2, was to support its championship activities ($32.3 million).

Table 2: NCAA's Expenses

Category	Amount (millions)	Percent
Distribution to members	$79.2	52.3
Championships	32.3[a]	21.4
National office	22.0	14.5
Membership services	15.9[b]	10.5
Committees	1.9	1.3
Total	**$151.3**	100.0

[a]Of this amount, $25.7 million was paid directly to member schools for team transportation and per-diem expenses in conjunction with their participation in NCAA championships.

[b]Of this amount, $3.5 million was spent for scholarships, youth programs, and catastrophic insurance for all student-athletes.

Member Schools' Revenues and Expenses

The NCAA's 106 division I-A member schools averaged $9.7 million in revenues and $9.6 million in expenses for fiscal year 1989. Fifty-five percent of these schools reported a surplus, 40 percent reported a deficit, and 5 percent reported a balanced budget.

Ticket sales was the largest source of revenue, accounting for 35 percent of revenues at division I-A schools. Table 3 shows the schools' revenue by source for fiscal year 1989.

Table 3: Division I-A Schools' Revenues

Source	Percent
Ticket sales	35.0
Contributions	15.0
Bowls, tournaments, and television	14.0
Guarantees & options	8.0
Direct government support	5.0
Student activity fees	4.0
Other student assessments	3.0
All other sources	16.0
Total	100.0

Salaries and wages, including fringe benefits, was the largest single expense for division I-A schools, accounting for 23 percent of operating expenses for fiscal year 1989. Table 4 shows the schools' expenses by category.

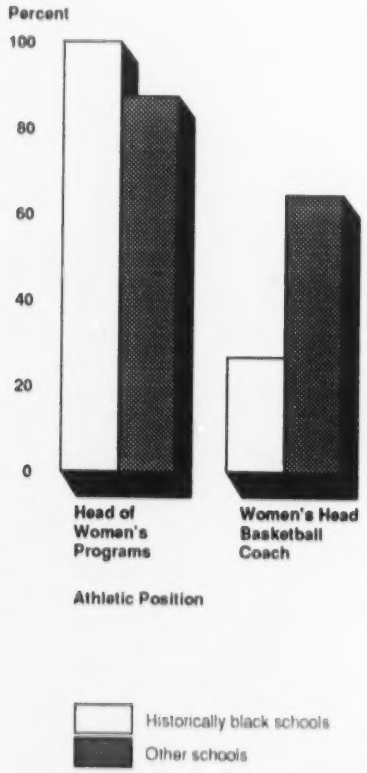
Table 4: Division I-A Schools' Expenses

Category	Percent
Salaries and wages	23.0
Grants-in-aid	17.0
Team and other travel	10.0
Guarantees and options	7.0
Equipment and supplies	4.0
All other sources	39.0
Total	100.0

GENDER PROFILE

Among the schools responding to our questionnaire, only one woman in division I served as athletic director, and no women coached football or men's basketball. Figure 1 shows that women were more frequently represented as the head of women's programs. However, this figure also shows that women comprised a lower percentage (about 27 percent versus 64 percent) of women's head basketball coaches at historically black schools compared to the other division I schools.

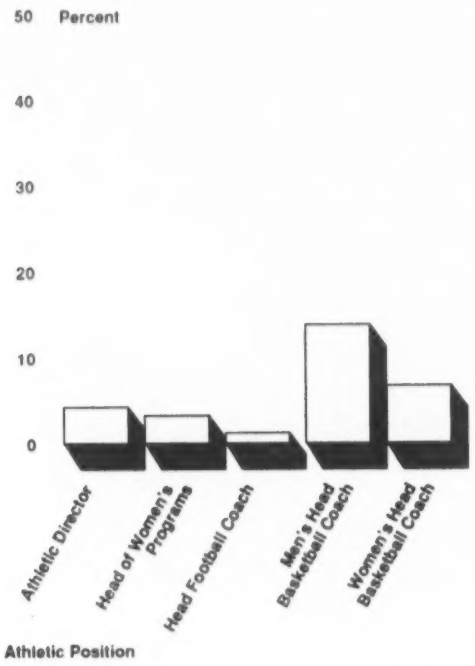
Figure 1: Women as a Percentage of Heads of Women's Programs and Women's Head Basketball Coaches



MINORITY PROFILE

Among the schools responding to our questionnaire, athletic department positions at historically black schools were occupied by minorities, except at one division I school where a white male was the women's head basketball coach. However, as shown in figure 2, minorities rarely held these positions at other division I schools. Men's head basketball coach was the position most frequently held by minorities--about 14 percent of the positions.

Figure 2: Minorities as a Percentage of Staff for Selected Athletic Positions at the Other Division I Schools



The NCAA found similar results in its study on minority hiring.

AVERAGE COMPENSATION RECEIVED BY PERSONNEL IN SELECTED ATHLETIC POSITIONS

I would like to summarize information for the five selected athletic positions we surveyed at division I schools, based on responses we received from our questionnaire.

The average amounts cited for each income item we discuss is the average amount received by those persons receiving such income. Except for base salary, many schools reported that not all persons holding these positions received any additional school benefits or outside income. This is particularly true for historically black schools, where there was only a small number of athletic personnel receiving any additional school benefits or outside income.

Base Salaries

At historically black schools, head football coaches had the highest average base salary--$49,522--while athletic directors at the other division I schools had the highest average base salary of $82,355. Table 5 shows that individuals occupying the five athletic positions at historically black schools earned a lower average base salary than those individuals in the similar positions at the other schools.

Table 5: Average Base Salaries for Selected Athletic Positions at Historically Black and Other Schools

Athletic position[a]	Average base salary	
	Historically black schools	Other schools
Athletic director	$49,117	$82,355
Head of women's programs	33,289	48,694
Head football coach	49,522	77,511
Men's head basketball coach	44,290	71,151
Women's head basketball coach	30,602	40,482

[a]The number of responding schools that said their staff received a base salary for the five athletic positions (in consecutive order) at historically black schools were 10, 3, 12, 16, and 15; and at the other division I schools 134, 120, 153, 228, and 215.

Additional School Benefits

For those earning additional school benefits in division I schools, head football coaches had the highest benefits--$19,968 and $25,568--at historically black and other division I schools, respectively. These benefits can represent items such as club memberships and housing assistance. Table 6 shows that individuals occupying the head of women's programs, head football coach, and men's head basketball coach positions at historically black schools earned less additional school benefits than those in similar positions at the other division I schools. However, athletic directors and women's head basketball coaches at historically black schools had higher average additional school benefits than those at the other schools.

Table 6: Average Additional School Benefits for Selected Athletic Positions at Historically Black and Other Schools

Athletic position[a]	Average additional school benefits	
	Historically black schools	Other schools
Athletic director	$8,000	$7,367
Head of women's programs	[b]	3,359
Head football coach	19,968	25,568
Men's head basketball coach	12,425	20,162
Women's head basketball coach	7,737	4,943

[a]The number of responding schools that said their staff received additional school benefits for the five athletic positions (in consecutive order) at historically black schools were 2, 0, 3, 5, and 3; and at the other division I schools 97, 65, 119, 182, and 136.

[b]There were no individuals in this position receiving such income.

Outside Income

Men's head basketball coaches had the highest average income for those receiving income from sources outside the schools, ranging from $5,000 at historically black schools to $39,338 at the other division I schools. Table 7 shows that individuals occupying the five athletic positions at historically black schools had lower

average outside earnings than those in similar positions at the other schools.

Table 7: Average Outside Income for Selected Athletic Positions at Historically Black and Other Schools

Athletic position[a]	Average outside income	
	Historically black schools	Other schools
Athletic director	[b]	$16,890
Head of women's programs	[b]	3,783
Head football coach	$4,000	32,835
Men's head basketball coach	5,000	39,338
Women's head basketball coach	[b]	6,651

[a]The number of responding schools that said their staff received outside income for the five athletic positions (in consecutive order) at historically black schools were 0, 0, 2, 3, and 0; and at the other division I schools 22, 9, 97, 155, and 91.

[b]There were no individuals in this position receiving such income.

Total Income

Head football coaches had the highest average total compensation, regardless of the income source: $55,181 at historically black schools and $120,258 at the other division schools. Table 8 shows that individuals occupying the five athletic positions at historically black schools had lower average total compensation than those in similar positions at the other schools.

Table 8: Average Total Compensation for Selected Athletic Positions at Historically Black and Other Schools

Athletic position[a]	Average total compensation	
	Historically black schools	Other schools
Athletic director	$50,717	$89,115
Head of women's programs	33,875	50,205
Head football coach	55,181	120,258
Men's head basketball coach	49,110	114,993
Women's head basketball coach	32,150	46,005

[a]The number of responding schools combined to determine the average total compensation received for the five athletic positions (in consecutive order) at historically black schools were 10, 2, 12, 16, and 15; and at the other division I schools 122, 113, 130, 203, and 191.

Comparative Compensation for Women and Men Coaching Women's Basketball

As requested by your office, we also compared the earnings for women and men who coach women's basketball at historically black and the other division I schools. We found that men had earned slightly more in average total compensation ($32,331) than women ($31,651) at historically black schools. However, women had a higher average total compensation ($47,871) than men ($42,706) at the other division I schools. Table 9 shows these results.

Table 9: Comparison of Compensation for Women and Men Coaching Women's Basketball

Income category	Average compensation at historically black schools		Average compensation at other schools	
	Women[a]	Men[a]	Women[b]	Men[b]
Base salary	$31,526	$30,266	$42,495	$36,725
Additional benefits	500	11,356	5,018	4,795
Outside income	[c]	[c]	6,471	7,018
Total earnings[d]	31,651	32,331	47,871	42,706

[a]The number of responding schools for women and men coaching women's basketball for each income category (in consecutive order) at historically black schools were 4, 1, 0, and 4 for women; and 11, 2, 0, and 11 for men.

[b]The number of responding schools for women and men coaching women's basketball for each income category (in consecutive order) at the other division I schools were 140, 90, 61, and 122 for women; and 75, 46, 30, and 69 for men.

[c]There were no individuals in this position receiving such income.

[d]Each of the income categories are averages. As a result, the numbers cited cannot be added together in determining the average total earnings.

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We would like to thank Mr. Richard Schultz, Executive Director of the NCAA, and his staff for their cooperation during our study. Also, we want to thank the division I schools that responded to our survey.

This concludes my testimony. I would be happy to answer any questions that you or other members of the Subcommittee may have.

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